



Optimizing Opportunities

A Satellite Report

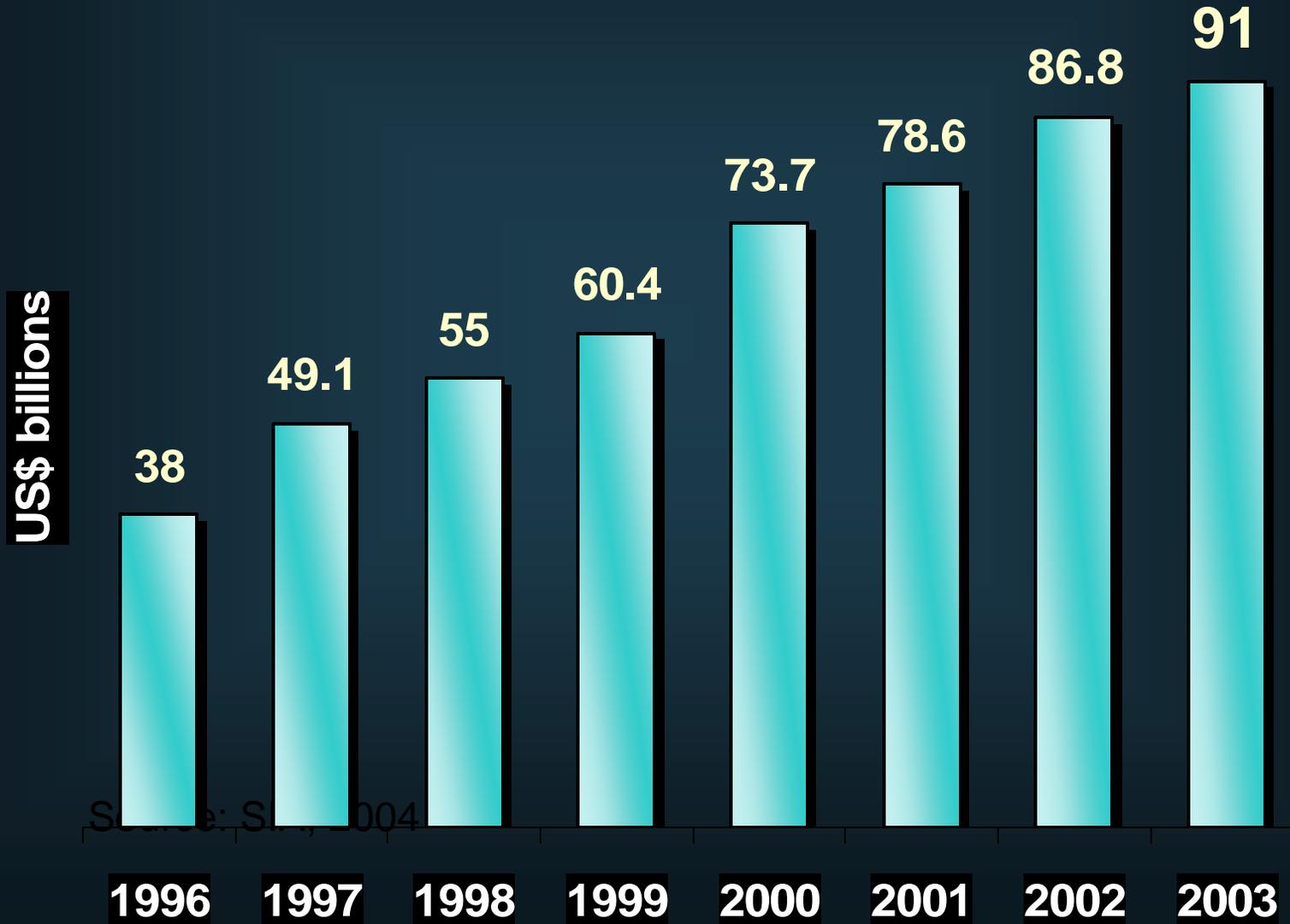
Presented by
Donald Abelson, Chief, International Bureau

September 9, 2004

Overview

- 1. Overall, the satellite industry continues to show growth and provide critical services.**
- 2. The industry faces a number of challenges that vary from service to service.**
- 3. The industry is analyzing the market and taking action to better serve shareholders and customers.**
- 4. The FCC continues to modernize to foster future innovation.**

Worldwide Industry Revenue 1996-2003



Source: SIA, 2004

Covering The Globe

- **408 Commercial Satellites Operating Worldwide**
- **58% U.S.-Licensed (approx.)**
- **59% Serving U.S. Consumers (approx.)**



Satellite Industry: Four Major Components

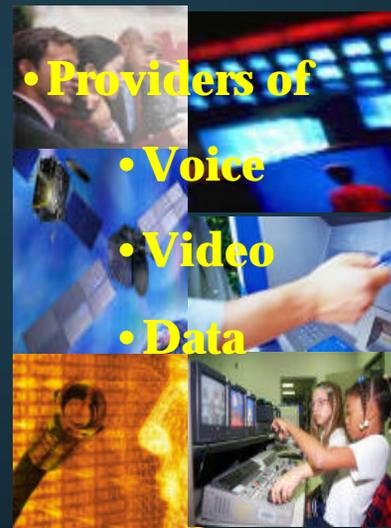
Satellite Manufacturing



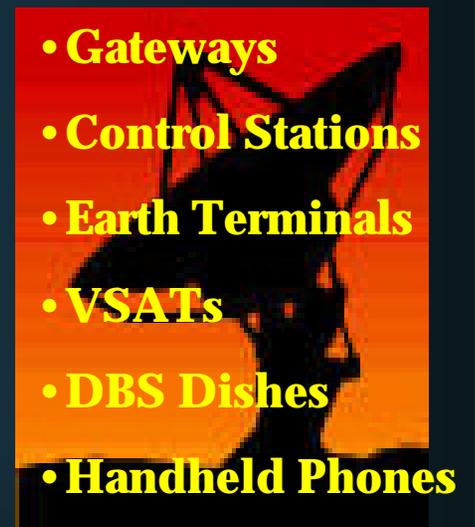
Launch



Satellite Services

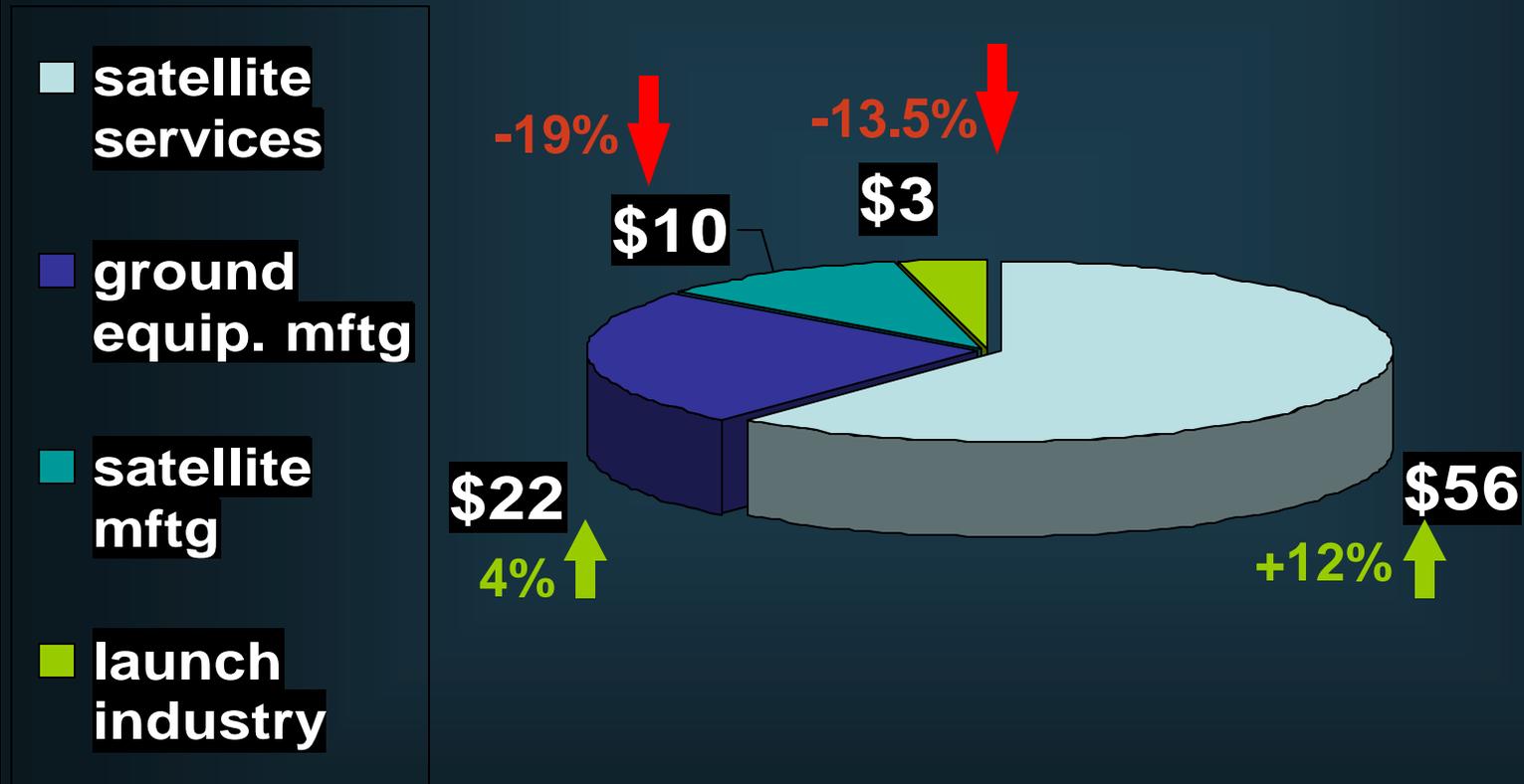


Ground Equipment Manufacturing



Global Revenue by Industry Sector

2003, US\$ billions

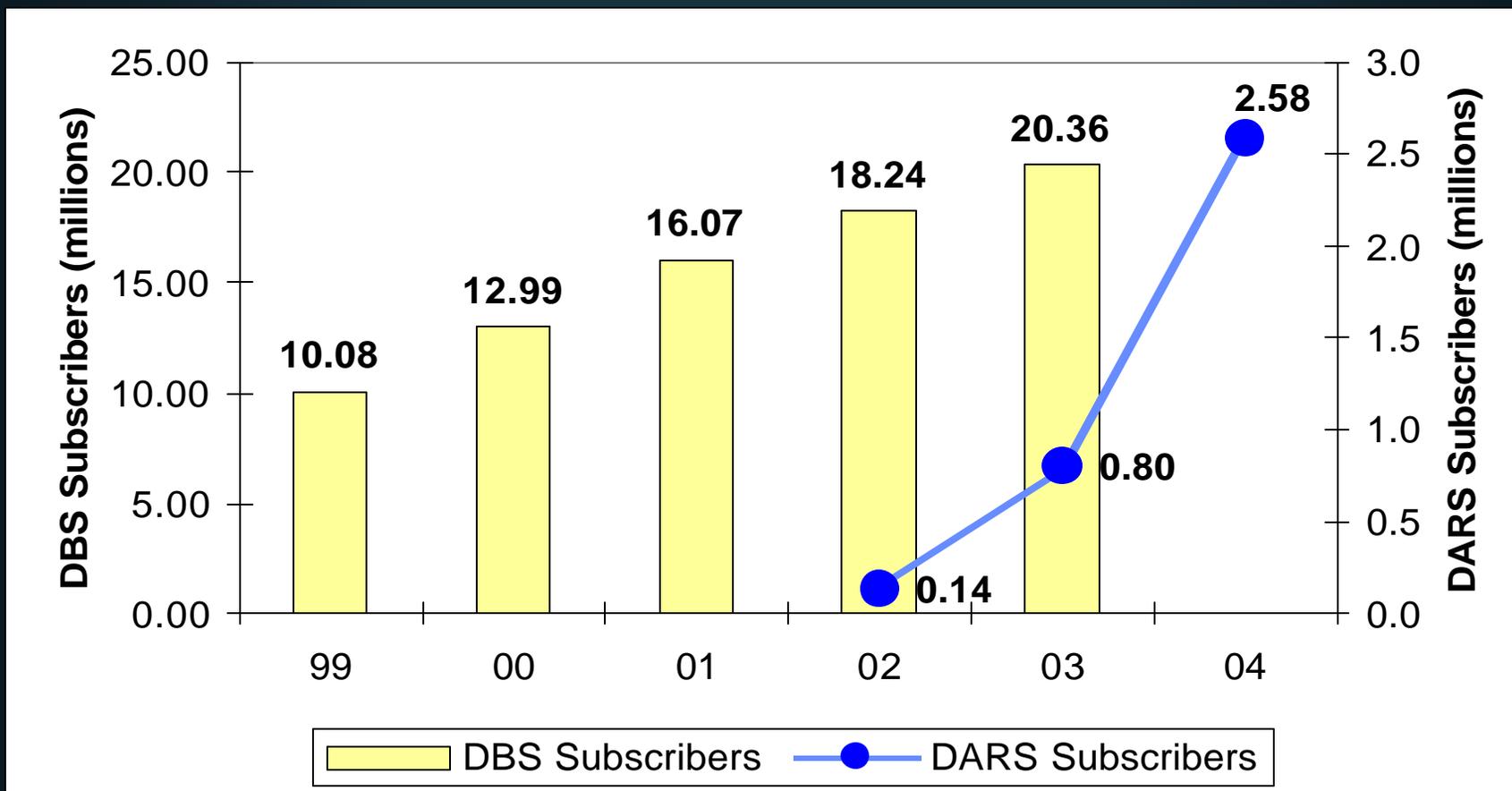




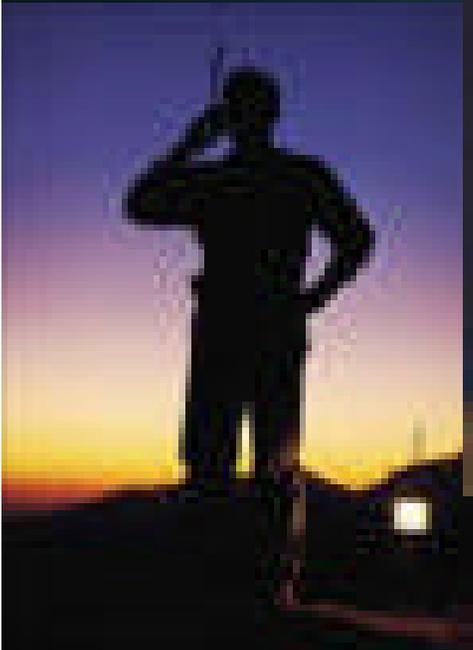
Satellite TV and Radio (BSS Direct to the American Consumer)

U.S. DBS and DARS Subscriber Growth

Subscribers in millions, 1999-2004



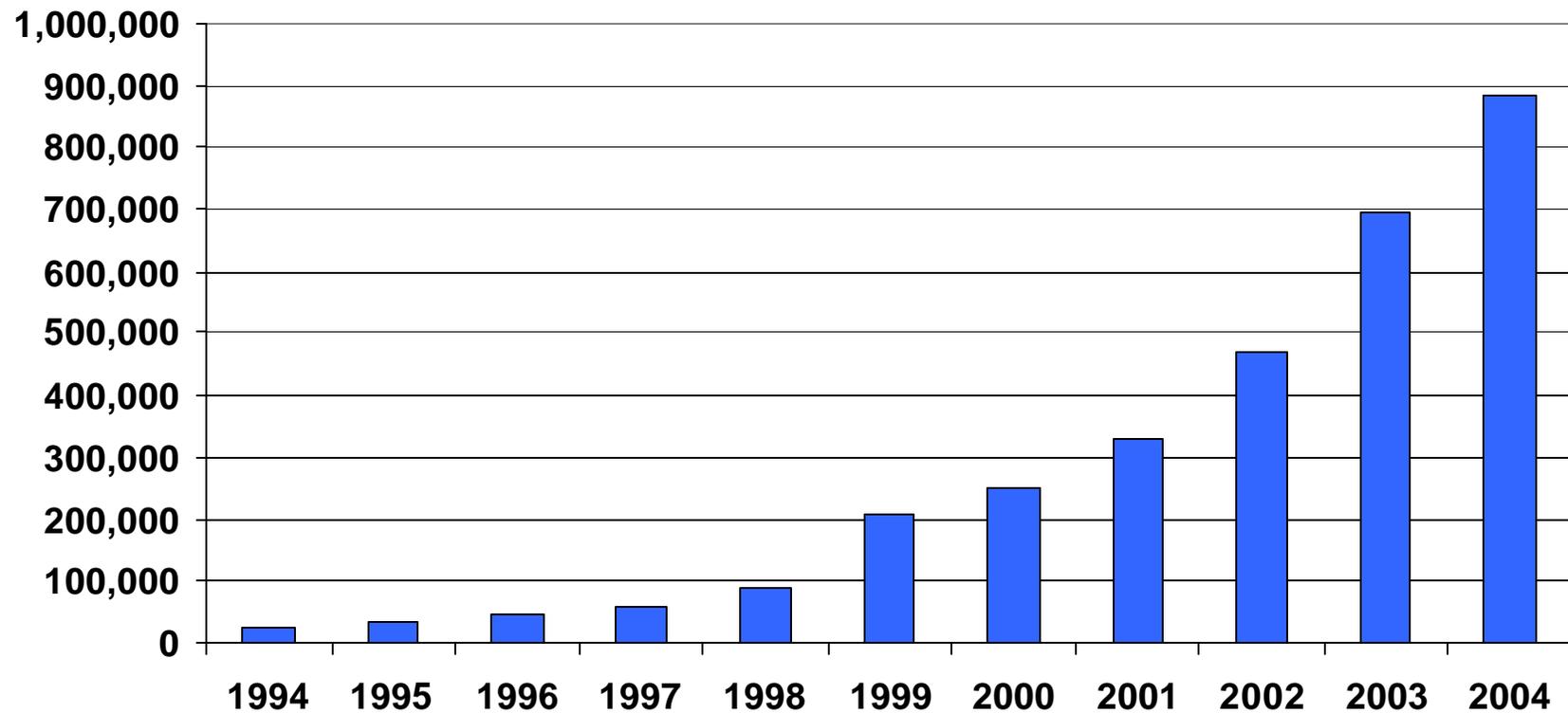
Mobile Satellite Services (MSS)



Mobile Satellite Phone Use is Growing

Global Mobile Satellite Service Subscribers (Voice)

Source: TelAstra, 2004



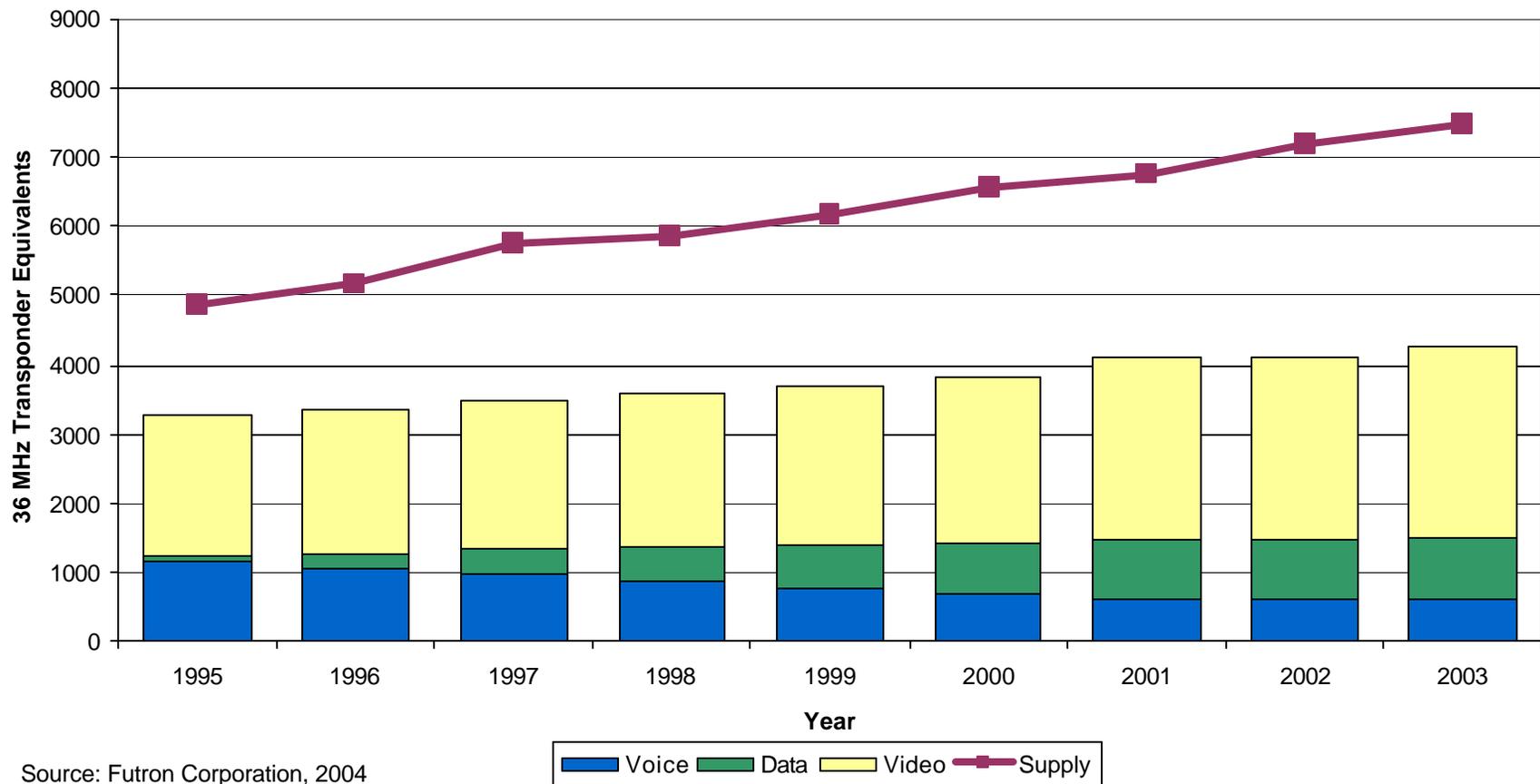


Fixed Satellite Services (FSS)

The “Silent Partner”



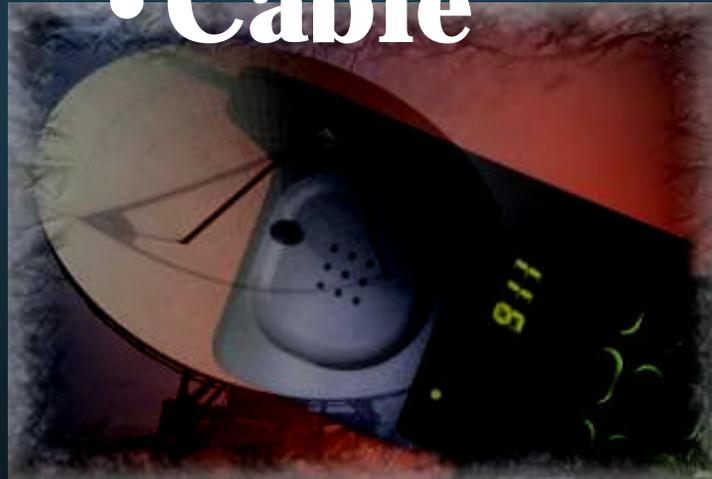
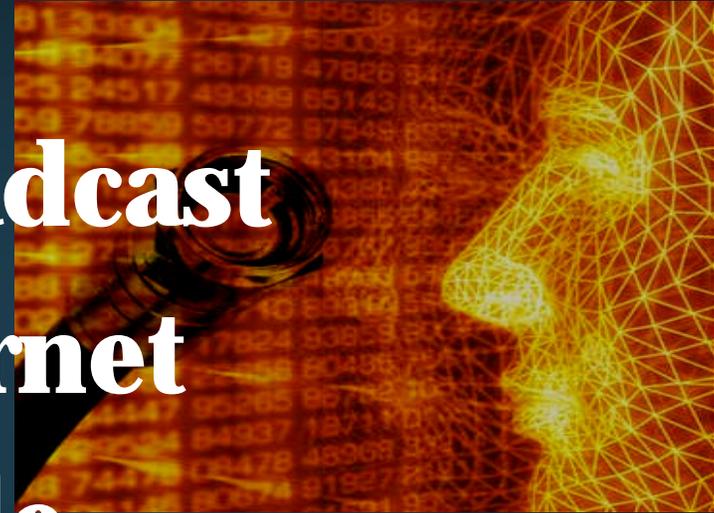
Challenge to Service Providers: Global Bandwidth Supply and Demand



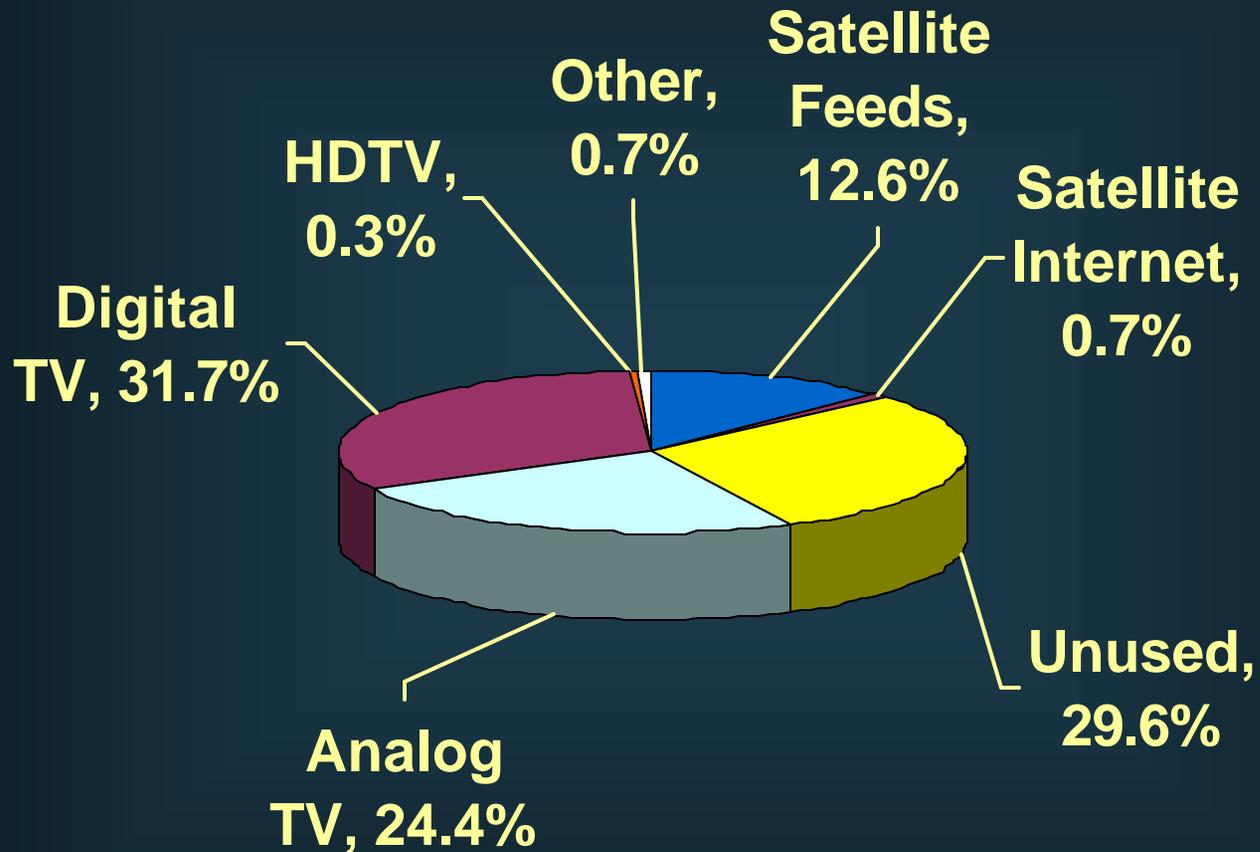
CAGR: compound annual growth rate

FSS: Core Customers

- Broadcast
- Internet
- Cable



Relative Use of Transponder Capacity United States 2004



Government as a Commercial Satellite Customer

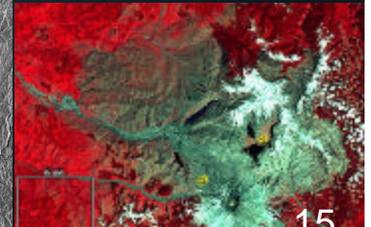
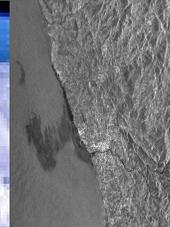
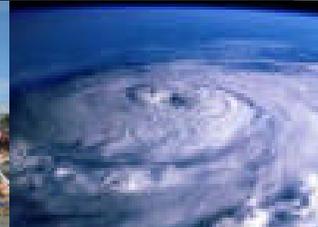
- **Homeland Security**
- **National Defense**
- **Public Safety**
- **Emergency Services**

Data Communication

- Public safety (police dispatch)
- Communications during disasters for First Responders and Others
- Information dissemination
 - **Media**
 - **Public**

Data Collection

- Monitoring Events
 - **Geological**
 - **Meteorological**
 - **Human Instigated**
 - **Area Restoration**



Satellites and Rural Services

Opportunities exist for satellite companies to serve specialized needs of rural and remote communities

- Video
- Imaging
- Voice
- Data/Internet



Optimizing Opportunities: Industry Observations

- **Fewer But Stronger Competitors**
- **New Investment Paradigm**
- **Efficient Fleet Management**
- **Revised Business Plans/Approach**
 - **Letting customer demand and requirements drive how spectrum is used**



The Role of the FCC

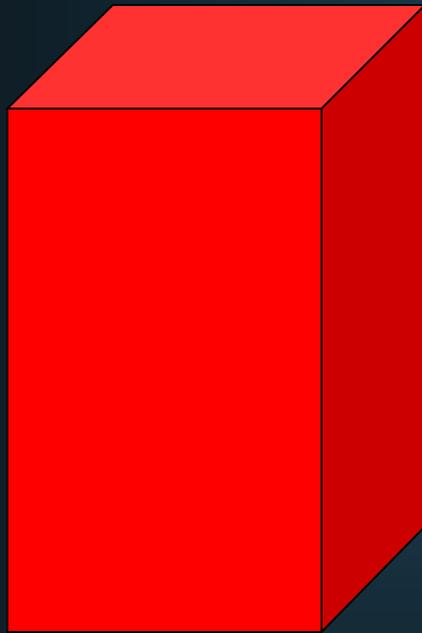
- **Policies that Facilitate Innovation and Agility in Satellite Operations**
 - Fleet management
 - First-Come, First Served Policy
- **Fast, Efficient Licensing**
 - Satellite Licensing Reform
- **Strong Global Representation**
 - WRC
 - 2003; 2007
 - Regional Outreach



Licensing Disposal Speed in Days

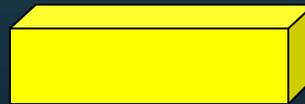
For All GSO-like Applications Subject to Licensing Procedures (8/03-6/04)

1311



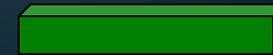
Average Licensing Speed Prior to August 2003 (1990-2004)

180



Expected Speed After August 2003 Implementation of New Licensing Procedures

92



Actual Average Licensing Speed After August 2003¹⁹



International Bureau

Sources for the 2004 Satellite Report

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